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E.O. 11652: GDS, 12-31-82
TAGS: MCAP, NATO
SUBJ: NATO FORCE PROPOSAL/GOALS-GREECE

TEXT OF DRAFT COUNTRY CHAPTER (EXCEPT FOR INTRODUCTION) ON
1975-80 DRAFT FORCE GOALS FOR GREECE (DRC/WP(74)1) IS QUOTED
BELOW:

BEGIN TEXT:

II. FORCE PROPOSALS

ARMY

5. THE CURRENT GREEK FORCE PLAN FOR THE PERIOD 1974-1978
PLACES ITS PRINCIPAL EMPHASIS ON MAKING UP THE SERIOUS
SHORTAGES IN AMMUNITION STOCKS AND ON THE ACQUISITION OF MODERN
ANTI-ARMOUR AND AIR DEFENCE WEAPONS. FIFTY SECOND GENERATION
MILAN/TOW TYPE ANTI-ARMOUR WEAPONS AND A SECOND HAWK BATTALION
ARE TO BE ACQUIRED WITH NATIONAL FUNDS. OTHER PLANS CALL FOR
THE ACQUISITION OF 5,000 SHORT RANGE ANTI-ARMOUR WEAPONS FROM
NATIONAL FUNDS AND INE VULCAN BATTERIES FROM EXTERNAL AID
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BUT FIRM DECISIONS HAVE NOT YET BEEN TAKEN. PLANS ALSO INCLUDE
MEASURES TO PROVIDE NBC PROTECTIVE EQUIPMENT AND IMPROVE THE
ECCM CAPABILITY OF THE LAND FORCES.

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6. THE NEW FORCE PROPOSALS RE-EMPHASISE THESE MEASURES, AND AIM AT CORRECTING SHORTAGES IN WAR RESERVE STOCKS, TANKS, ARTILLERY, ARMOURED PERSONNEL CARRIERS, ANTI-ARMOUR, AIR DEFENCE AND NBC PROTECTIVE EQUIPMENT.

7. THE MOST SIGNIFICANT OF THENNEW FORCE PROPOSALS ARE:

(A) IMPROVEMENT OF THE ANTI-ARMOUR DEFENCE CAPABILITY BY MAKING UP SHORTAGES AND PHASING IN MODERN LIGHT AND MEDIUM ANTI-ARMOUR WEAPONS. APPROXIMATE COST: DR. 413 MILLION.

(B) PROVISION OF MODERN AIR DEFENCE SYSTEMS FOR THE GREEK LAND FORCES INCLUDING LIGHT AIR DEFENCE WEAPONS FOR BATTALION AIR DEFENCE, NINE BATTERIES OF VULCAN-TYPE WEAPONS FOR DIVISIONAL AIR DEFENCE AND A THIRD HAWK BATTALION FOR CORPS AIR DEFENCE. APPROXIMATE COST: DR. 6,336 MILLION.

(C) INCREASE OF THE ARMOUR CAPABILITY OF THE HELLENIC FIRST ARMY BY REPLACEMENT OF M-47 TANKS WITH MORE MODERN ONES. APPROXIMATE COST: DR. 3,922 MILLION.
(D) CONTINUATION OF THE MECHANISATION OF THE HELLENIC FIRST ARMY FOR WHICH OVER 1,600 ARMOURED PERSONNEL CARRIERS ARE REQUIRED. APPROXIMATE COST: DR. 2,318 MILLION

(E) BRING UP EXISTING AND PROPOSED ARTILLERY UNITS TO 100 PCT OF AUTHORISED WEAPONS AND REPLACE OBSOLETE WEAPONS. APPROXIMATE COST: DR. 2,580 MILLION.

(F) INCREASE OF STOCKS OF AMJUNITION. APPROXIMATE COST: DR. 6,000 MILLION.

(G) PROVISION OF NBC PROTECTION EQUIPMENT. APPROXIMATE COST: DR. 545 MILLION.

8. THE GREEK AUTHORITIES HAVE RECENTLY ADVISED (A) THAT
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ONLY FOUR OF THE PROPOSALS CAN BE IMPLEMENTED FROM NATIONAL RESOURCES I.E. THOSE RELATING TO WAR RESERVE STOCKS, NBC PROTECTIVE EQUIPMENT AND MANNING LEVELS OF CATEGORY A AND CATEGORY B DIVISIONS. THEIR TOTAL COST IS ABOUT D. 8,000 MILLION, I.E. 24 PCT OF THE TOTAL PCOST FOR THE ARMY, IN ADDITION, NATIONAL FUNDS IN THE ORDER OF DR. 5,100 MILLION COULD BE MADE AVAILABLE FOR OPERATING AND MAINTENANCE COSTS OF TEN FORCE PROPOSALS IF THE MAJOR EQUIPMENT IS PROVIDED BY EXTERNAL ASSISTANCE. IN SUMMARY, GREECE COULD MAKE AVAILABLE SOME D. 13,100 MILLION FOR THE IMPLEMENTATION OF THE FORCE PROPOSALS CONCERNING THE ARMY. THIS REPRESENTS SOME 40 PCT OF THE TOTAL COST FOR THE ARMY.

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(A) AC/281 (LFN(74)2

NAVY

9. BECAUSE OF THE UNCERTAINTY ABOUT FUNDING, PLANS FOR IMPROVEMENT N THE GREEK NAVY AFTER 1974 ARE LIMITED TO ONE PROJECT ONLY, WHICH IS TO CONSTRUCT A NUMBER OF DESTROYER ESCORTS. THE EXACT NUMBER OF THESE SHIPS AND THE TIMING OF THEIR CONSTRUCTION HAD STILL TO BE DETERMINED AT THE TIME OF LAST YEAR'S DEFENCE REVIEW.

10. ACCOUNT IS TAKEN OF THIS PLAN BY SACEUR IN HIS FORCE PROPOSAL WHICH ASKS FOR:

(A) THE CONSTRUCTION OF SIX OF THESE SHIPS (THREE BY 1980) AS REPLACEMENTS FOR THE EXISTING OBSOLETE FLETCHER CLASS DESTROYER; IN ADDITION, THESE SHIPS SHOULD BE FITTED WITH MODERN WEAPON SYSTEMS AND UP-TO-DATE ELECTRONIC AND COMMUNICATION EQUIPMENT;

(B) THE ACQUISITION OF:

(I) SIX GUIDED MISSILE COASTAL ESCORTS AS REPLACEMENTS FOR FOUR OBSOLETE DESTROYER ESCORTS AND THREE COASTAL ESCORTS;

(II) 11 GUIDED MISSILE FAST PATROL BOATS ADDITIONAL TO THE RECENTLY ACQUIRED FOUR (AT THE SAME TIME
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PAYING OFF FIVE OBSOLETE FAST PATROL BOATS);

(III) 24 ASW HELICOPTERS (SHORE-BASED AND EMBARKED) ARMED WITH AIR-TO-SURFACE MISSILES;

(IV) 12 MODERN MARITIME PATROL AIRCRAFT TO REPLACE EXISTING OBSOLETE ALBATROSS AIRCRAFT;

(V) TWO SUPPORT SHIPS;

(V8) SIX MINEHUNTERS AS REPLACEMENT FOR SIX MINESWEEPERS ALREADY PHASED OUT;

(VII) FOUR TANK LANDING SHIPS AS REPLACEMENT FOR FOUR EXISTING ONES AND EIGHT MOBILE SHORE-TO-SHIP MISSILE SYSTEMS.

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11. QUALITATIVELY THERE ARE PROPOSALS TO IMPROVE ELECTRONIC WARFARE AND NBC DEFENSIVE CAPABILITIES; TO INSTALL POINT DEFENCE MISSILE SYSTEMS AND COMMUNICATION AND ELECTRONIC EQUIPMENT IN EXISTING DESTROYERS; TO CONVERT ALL SHIPS TO DISTILLATE FUEL; TO IMPROVE THE DEFENCE OF MARITIME SHORE INSTALLATIONS AND TO PROVIDE, ON A CONTINUING BASIS, A DESTOYER ESCORT FOR STANAVFORMED.

12. ALL PROPOSALS EXCEPT THOSE CALLING FOR THE IMPROVEMENT OF THE AIR DEFENCE CAPABILITY OF SHORE ESTABLISHMENTS AND THE INCREASE IN WAR RESERVES HAVE BEEN COSTED; THEY AMOUNT TO SOME DR. 38,026 MILLION. THE GREEK AUTHORITIES, HOWEVER, HAVE INDICATED (1) THAT ONLY SOME 22 PCT OF THE TOTAL CAN BE MET FROM NATIONAL RESOURCES; THIS RELATES FOR THE MOST PART TO THE OPERATING AND MAINTENANCE COSTS ATTACHED TO THE VARIOUS INVESTMENTS. THE BALANCE OF DR. 29,676 MILLION WOULD NEED TO BE MADE AVAILABLE FROM EXTERNAL SOURCES MAINLY IN THE FORM OF MAJOR EQUIPMENT. THE MOST COSTLY OF THE FORCE PROPOSALS IS THAT IN RESPECT OF THE ACQUISITION OF GUIDED MISSILE COASTAL ESCORTS (DR 9,199 MILLION) WHICH REPRESENTS APPROXIMATELY 24 PCT OF THE TOTAL AMOUNT FOR THE NAVY. THE ACQUISITION OF DESTROYER ESCORTS AMOUNTS TO SOME DR. 6,423 MILLION AND REPRESENTS 17 PCT OF THE TOTAL.
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THE COST OF THE VARIOUS QUALITATIVE IMPROVEMENTS PROPOSED REPRESENTS ABOUT 8-9 PCT OF THE OVERALL AMOUNT FOR THE NAVY.

AIR FORCE

13. THE MAIN FEATURE OF THE PRESENT NATIONAL AIR FORCE PLANS FOR THE PERIOD 1974-1978 IS THE INTRODUCTION OF TWO SQUADRONS OF PHANTOM AIRCRAFT PROCURED FROM NATIONAL FUNDS TO REPLACE TWO SQUADRONS OF F-84F AIRCRAFT IN 1974. ALSO INCLUDED IN THE NATIONAL PLAN IS THE PROCUREMENT OF A RANGE OF IMPROVED

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CONVENTIONAL WEAPONS AND AIR DELIVERED MUNITIONS FOR THE TWO PHANTOM SQUADRONS. NATIONAL PLANS INCLUDE OTHER MEASURES RELEVANT MAINLY TO QUALITATIVE IMPROVEMENTS, BUT EHRI FULL IMPLEMENTATION DEPNDS TO A CONSIDERABLE DEGREE ON EXTERNAL ASSISTANCE. IF THE LIMITED NATIONAL FUNDS AVAILABLE FOR THESE PURPOSES ARE SUPPLEMENTED BY AID, THE WAR RESERVE STOCK LEVELS WILL BE INCREASED GRADUALLY TO 30 COMBAT DAYS; LOW LEVEL SHORT-

(A) AC/281 (LF) N(74)2
RANGE ALL-WEATHERISSILE SYSTEMS WILL BE INSTALLED FOR THE ACTIVE AIR DEFENCE OF AIR BASES; PASSIVE AND ACTIVE PROTECTION MEASURES WILL BE APPLIED TO RADAR CONTROL AND SAME SITES, AND AN IMPROVED RAPID RUNWAY REPAIR CAPABILITY AS WELL AS NBC DEFENSIVE CAPABILITY AND MEDICAL SUPPORT WILL BE PROVIDED.

14. THE NEW FORCE PROPOSALS ENVISAGE AN EXTENSIVE REPLACEMENT PROGRAMME FOR OBSOLETE AND OBSOLESCENT AIRCRAFT AND AIM AT IMPROVEMENTS MAINLY IN AIR DEFENCE, CONVENTIONAL WEAPONS, AIR MUNITIONS AND STOCK LEVELS.

15. THE FOLLOWING ARE THE PROPOSALS SUGGESTING REPLACEMENT OF AIRCRAFT:

(A) TWO INTERCEPTOR DAY FIGHTERS (IDF) SQUADRONS OF 36 F-5 AIRCRAFT TO BE REPLACED BY F-4 TYPE AIRCRAFT.
APPROXIMATE COST: DR. 12,400 MILLION;

(B) ONE RECONNAISSANCE SQUADRON OF 18 RF-5A TO BE REPLACED BY REF-4 TYPE AIRCRAFT. APPROXIMATE COST: DR. 6,300 MILLION;

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(D) TWO F-5 FBA SQUADRONS TO BE REPLACED BY 36 F-4 TYPE AIRCRAFT. APPROXIMATE COST: DR. 12,000 MILLION;

(D) ONE SQUADRON OF 16 NORDATLAS TRANSPORT AIRCRAFT TO BE REPLACED BY C-130 TYPE AIRCRAFT. APPROXIMATE COST: DR. 3,200 MILLION.

THE GREEK AUTHORITIES HAVE INDICATED THAT ALL OF THE AIRCRAFT WOULD HAVE TO BE PROVIDED THROUGH EXTERNAL AID.

16. OTHER FORCE PROPOSALS SEEK:

(A) PROCUREMENT OF IMPROVED CONVENTIONAL WEAPONS AND AIR MUNITIONS FOR ALL OFFENSIVE AIRCRAFT. APPROXIMATE COST: DR. 795 MILLION.

(D) IMPROVEMENT OF STOCK LEVELS OF CRITICAL ITEMS FOR AN AMOUNT OF DR. 2,162 MILLION.

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(C) PROVISION OF ACTIVE AIR DEFENCE FOR 10 AIRFIELDS BY
LOW-LEVEL SHORT-RANGE ALL-WEATHER MISSILE SYSTEMS.

(D) IMPROVEMENTS IN NBC DEFENSIVE CAPABILITY AND IN
MEDICAL SUPPORT AT DR. 212 MILLION COST.

(E) PROCUREMENT OF SEARCH AND RESCUE EQUIPMENT AT
DR. 960 MILLION.

(F) IMPROVEMENT OF PROTECTION OF RADAR SITES AND SURFACE-
TO-AIR MISSILE INSTALLATIONS AT DR. 78 MILLION.

(G) PROVISION OF RAPID RUNWAY REPAIR FACILITIES AT
DR. 58 MILLION.

17 IN THE OPINION OF THE GREEK AUTHORITIES(1) NATIONAL
FUNDS IN THE ORDER OF DR. 11,300 MILLION COULD BE MADE AVAILABLE
TOWARDS THE IMPLEMENTATION OF THE AIR FORCE PROPOSALS. THIS
REPRESENTS THE TOTAL COST (DR. 7,800 MILLION) OF SEVEN FORCE
PROPOSALS AND THE OPERATING AND MAINTENANCE COST (DR. 3,500
MILLION) OF FIVE FORCE PROPOSALS WHICH COULD BE IMPLEMENTED IF THE
MAJOR EQUIPMENT IS PROVIDED BY EXTERNAL ASSISTANCE. THIS
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DR. 11,300 MILLION WOULD REPRESENT ABOUT 22 PCT OF THE TOTAL
ESTIMATES AS COSTED BY SHAPE.
(1) AC/281(LF)N(74)2

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III. ASSESSMENT OF THE ECONOMIC AND FINANCIAL IMPLICATIONS

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THE ECONOMIC SITUATION AND OUTLOOK

18. IN LINE WITH A REAL GROWTH OF THE GNP WHICH ATTAINED 7 PCT IN 1973, THE GROSS NATIONAL PRODUCT PER CAPITA GREW SUBSTANTIALLY (TO $1,410), BUT WAS NEVERTHELESS ONE OF THE LOWEST IN THE ALLIANCE AS WERE DEFENCE EXPENDITURES PER CAPITA. ON THE OTHER HAND THE SHARE OF GNP DEVOTED TO DEFENCE AT 5.2 PCT WAS ONE OF THE HIGHEST ($74). THE RATE OF INFLATION ATTAINED A PEAK OF 30 PCT IN ONE YEAR OWING MAINLY TO THE RISING PRICES OF IMPORTED CONSUMER GOODS WHICH REPRESENTED SOME 45 PCT OF THE ALUE OF TOTAL IMPORTS. THE BALANCE OF PAYMENTS DEFICIT ON CURRENT ACCOUNT HAS CONSEQUENTLY ALMOST TREBLED LAST YEAR TO OVER $1 THOUSAND MILLION.

19. THE RATE OF ECONOMIC GROWTH FOR 1974 COULD BE LOWER THAN THAT ACHIEVED IN 1973 FOLLOWING A SHARP REDUCTION OF PUBLIC INVESTMENT WITHIN THE BUDGET APPROPRIATIONS OF THE CURRENT FISCAL YEAR. THIS MEASURE ASSOCIATED WITH OTHERS ALSO AIMING AT CURBING DOMESTIC DEMAND SHOULD EASE INFLATIONARY PRESSURES, BUT IT SEEMS AT PRESENT THAT A DRAMATIC SLOWING DOWN OF THE PRICE

RISE CANNOT BE EXPECTED. OIL IMPORTS ACCOUNT CURRENTLY FOR LESS THAN 10 PCT OF TOTAL IMPORTS AND SEEM TO HAVE A LIMITED IMPACT ON THE GENERAL LEVEL OF PRICES AS WELL AS ON THE BALANCE OF PAYMENTS POSITION.

THE CURRENT FORCE PLANS AND EXPENDITURES

20. INFORMATION ON THE GREEK FORCE PLAN WAS GIVEN BY THE GREEK AUTHORITIES IN THEIR REPLY TO DPQ(73). THE AVERAGE YEARLY GROWTH OF DEFENCE EXPENDITURE OVER THE PERIOD ENDING 1978 IS FORECAST AT 2.8 PCT IN REAL TERMS. FOR THE PURPOSE OF THE CALCULATIONS IN THE FOLLOWING PARAGRAPHS IT HAS BEEN ASSUMED THAT THIS INCREASE WOULD HAVE CONTINUED AT THE SAME RATE OVER THE PERIOD ENDING IN 1980 (SEE TABLE BELOW).

FINANCIAL AND ECONOMIC TABLE

GREECE

	1975	1976	1977	1978	1979	1980
GROSS NAT'L PRODUCT (AT FACTOR COST) (1)	402,423	430,995	461,596	494,369	529,469	567,061
DEF EXPENDTIRURESES (A) PROJ EXP BASED ON NAT'L PLANS(2)	19,334	19,875	20,432	21,004	21,592	22,197

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(B) PROJ EXP BASED
ON MINISTERIAL
GUIDANCE (3)

-&HIGHER RATE OF GROWTH
20,985 22,475 24,071 25,780 27,610 29,570

-&LOWER RATE OF GROWTH
20,557 21,790 23,097 24,483 25,952 27,509

DEF EXP AS PCT OF GNP
4.8 4.6 4.4 4.2 4.1 3.9
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NOTE THE FIGURES IN THE ABOVE TABLE ARE THE INERNATIONAL STAFF'S PROJECTIONS OF THE LIKELY TREND OF GNP AND POSSIBLE ALTERNATIVE TRENDS IN DEFENCE EXPENDITITURES. WHEREVER POSSIBLE THEY ARE BASED ON THE DATA CONTAINED IN THE 1973 COUNTRY CHAPTER (DPC/D(73)23-GREECE). SPECIFIC INFORMATION ON THE METHOD APPLIED TO THE CALCULATIONS IS PROVIDED IN THE FOLLOWING NOTES:

(1) BASIS: GNP FOR 1973 AT 1972 PRICES EQUALS DR. 350,836 MILLION. YEARLY PERCENTAGE CHANGE IN VOLUME: 7.1 PCT (1973-1980) (OECD PROJECTIONS).
NATIONAL PLANS INDICATE 8 PCT. BOTH PROJECTIONS ARE SUBJECT TO DOWNWARD REVISION.

(2) BASED ON THE 1973 EXPENDITURE FIGURE (DR. 18,295 MILLION) ADJUSTED
TO 1972 PRICES AND INCREASED BY 2.8 PCT YEARLY (SEE DPC/D(73)23-GREECE). THE ADJUSTMENT TO 1972 PRICES HAS TO BE REVISED WHEN MORE ACCURATE INFORMATION ON THE RATE OF INFLATION IN DEFENCE EXPENDITURES IS AVAILABLE. IT CAN NEVERTHELESS BE ASCERTAINED THAT THE EVISED FIGURE FOR 1973 IN 1972 PRICES WILL BE SUBSTANTIALLY LOWER THAN THAT INDICATED ABOVE.

(3)THE MINISTERIAL GUIDANCE (DPD(73)8) CONCERNING RESOURCES (I.E., THE ALLOCATION TO DEFENCE OF A STABLE PROPORTION OF THE GROWING NATIONAL WEALTH) APPLIED TO:

-A HIGHER GNP GROWTH RATE 7.1 PCT (THE 1973 OECD PROJECTION)
-A LOWER GNP GROWTH RATE 6 PCT

ADDITIONAL EXPENDITURE REQUIRED TO COVER THE FORCE PROPOSALS

21. TENTATIVE ESTIMATES OF THE COST OF THE FORCE PROPOSALS WHICH ARE ADDITIONAL TO CURRENT FORCE PLANS ADD UP TO SOME DR. 121,000 MILLION, 97 PCT MORE THAN THE AGGREGATE VALUE OF THE CURRENT NATIONAL PLAN FOR THE YEARS 1975-80. THIS SUM DOES NOT, HOWEVER, COVER 13 FORCE PROPOSALS WHICH COULD NOT BE COSTED BECAUSE OF THE NATURE OF THE PROPOSALS OR

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UNAVILABILITY OF COST DATA; THESE MAINLY INCLUDE THE
IMPROVEMENT OF FACILITIES FOR THE RECEPTION OF EXTERNAL
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REINFORCEMENTS, THE INCREASE IN WAR RESERVE STOCKS FOR THE
NAVY, THE IMPROVEMENT OF THE DEFENCE OF THE MARITIME BASES,
COMMUNICATION AND ELECTRONIC WAR FARE MEASURES, AND THE CONVERSION
OF TWO FBA SQUADRONS TO A DUAL CAPABLE FBS/A ROLE. OUT OF
THE 49 PROPOSALS COSTED, SEVEN (AMOUNTING TO DR. 58,000 MILLION)
ACCOUT FOR SOME 48 PCT OF THE TOTAL ADDITIONAL COST AND CONCERN
THE INCREASE OF STOCKS OF AMMUNITION AND THE PROVISION OF AIR
DEFENCE SYSTEMS FOR THE ARMY, THE ACQUISITION OF GUIDED MISSILE
COASTAL ESCORTS AND A DESTROYER ESCORTS, AND THE REPLACEMENT OF
FIVE SUQUADRONS OF OFFENSIVE AIRCRAFT.

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THE FEASIBILITY OF THE FORCE PROPOSAL

22. THE IMPLEMENTATION OF A RATE OF GROWTH AVERAGING
2.8 PCT PER YEAR IN REAL TERMS AS ANNOUNCED BY THE GREEK AUTHORITIES
DURING LAST YEAR'S DEFENCE REVIEW IS WELL BELOW THE RATE
INDICATED BY THE RESOURCE GUIDANCE TO THE NATO MILITARY
AUTHORITIES MADE BY MINISTERS IN JUNE 1973(1). THE RESOURCE
GUIDANCE WOULD IMPLY A RATE OF GROWTH OF THE DEFENCE

EXPENDITURES AVERAGING 7.1 PCT YEARLY IN REAL TERMS IN LINE WITH
PROJECTIONS OF THE GNP GROWTH RATE REPORTED BY THE OECD, AND
THIS WOULD ALSO IMPLY THAT THE SHARE OF GNP DEVOTED TO DEFENCE
WOULD BE MAINTAINED AT SOME 5 PCT ON AVERAGE OVER THE PERIOD
UNDER CONSIDERATION.

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(1) DPC/D(73)8

23. A GROWTH RATE OF THE DEFENCE EXPENDITURE BY 71. PCT YEARLY IN REAL TERMS WOULD ADD SOME DR. 26,000 MILLION OVER AND ABOVE THE LEVEL IMPLICIT IN LAST YEAR'S NATIONAL PLANS; THIS WOULD, HOWEVER, REPRESENT LESS THAN 22 PCT OF THE AMOUNNT NEEDED. (DR. 121,000 MILLION) FOR THE IMPLEMENTATION OF THE FORCE
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PROPOSALS. THE RATE OF GROWTH OF THE GNP COULD BE LOWER HOWEVER THAN THE ABOVE FORCEAST MADE BEFORE THE OIL CRISIS. EVEN IF THE LATTER HAS A MORE MODERATE IMPACT ON GREECE THAN ON OTHER EUROPEAN ECONOMIES, A PRLONGED INFLATION IN EUROPE COULD IMPOSE LIMITS TO IMPORTS OF EQUIPMENT GOODS ENTAILING A SLOWING DOWN OF ECONOMIC GROWTH. ON THE ASSUMPTION OF A GNP RATE OF GROWTH OF 6 PCT ONLY WITH DEFENCE EXPENDITURE INCREASING AT THE SAME RATE OVER THE PERIOD, EXTRA RESOURCES FOR DEFENCE PURPOSES OVER AND ABOVE THOSE PROVIDED UNDER THE NATIONAL PLAN WOULD COVER SOME 16 PCT ONLY OF THE AMOUNT REQUIRED FOR THE IMPLEMENTATION OF THE FORCE PROPOSALS.

EXTERNAL ASSISTANCE

24. IT IS EVIDENT THAT THE IMPLEMENTATION OF THE FORCE PROPOSALS DEPEND TO A LARGE EXTENT ON EXTERNAL AID. THE NOTE CIRCULATED RECENTLY BY THE GREEK AUTHORITIES(1) SETS OUT IN DETAIL THE VIEWS OF THE GREEK AUTHORITIES ON NATIONAL RESOURCES AVAILABLE TO CONTRIBUTE TO THE IMPLEMENTATION OF THE PROPOSALS AND ON THE ADDITIONAL EXTERNAL AID REQUIRED. ACCORDING TO THIS DOCUMENT, THE TOTAL AMOUNT THAT COULD BE MADE AVAILABLE FROM NATIONAL SOURCES IS SOME DR. 32,500 MILLION WHICH WOULD COVER APPROXIMATELY 27 PCT OF THE TOTAL COST OF ALL FORCE PROPOSALS. THE RESPECTIVE AMOUNTS ARE INDICATED IN THE TABLE BELOW:

READ IN SIX(6) COLUMNS

FORCE PROPOSALS 1975-80 ARMY NAVY AIR FORCE TOTALS

INVESTMENT AND O&M COST
FROM NATIONAL RESOURCES
(INCLUDING CONFIRMED
EXTERNAL AID) MILLION DR. 8,046 110 7,808 15,964
PCT 24 PCT .03 PCT 15 PCT 13 PCT

O&M COST FROM NATIONAL RESOURCES, IF MAJOR EQUIPMENT PROVIDED BY EXTERNAL AID

MILLION DR. 5,105 8,238 3,467 16,810
PCT 16 PCT 21.7 PCT 7 PCT 14 PCT
ENTIRELY FROM EXTERNAL AID
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MILLION DR 19,985 29,678 39,023 88,686
PCT 60 PCT 78 PCT 78 PCT
TOTALS MILLION DR. 33,136 38,026 50,298 121,460
PCT 100 100 100 100
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25. THE FINANCIAL IMPLICATIONS OF THE RECENT GREEK NOTE (DR. 32,500 MILLION) WOULD IMPLY AN ANNUAL GROWTH OF DEFENCE EXPENDITURES OF 8 PCT IN REAL TERMS RESULTING IN A DEFENCE SHARE IN GNP OF 5.4 PCT ON AVERAGE ASSUMING A HIGHER GROWTH RATE OF GNP, OR OF 5.7 PCT ON AVERAGE ASSUMING A LOWER RATE(1)

26. IMPLEMENTATION OF THE FORCE PROPOSALS WHICH CANNOT BE COVERED ENTIRELY OR PARTIALLY THROUGH NATIONAL RESOURCES WOULD REQUIRE EXTERNAL AID IN THE FORM OF MAJOR EQUIPMENT AND ASSISTANCE IN THE FIELD OF OPERATION AND MAINTENANCE AND TRAINING OF PERSONNEL TO THE EQUIVALENT OF SOME DR. 88,500 MILLION.

FINANCIAL AND ECONOMIC IMPLICATIONS OF DRC RECOMMENDATIONS

27. (TO BE COMPLETED AFTER THE DRC REVIEW)

FINAL ASSESSMENT OF THE FEASIBILITY OF THE DRAFT FORCE GOALS

28. (TO BE COMPLETED AFTER THE DRC REVIEW)

IV. RESULTS OF THE MULTILATERAL EXAMINATION BY THE DRC

29. THE MILITARY COMMITTEE HAS STATED THAT IT IS SATISFIED THAT ITS FORCE PROPOSALS FOR 1975-80 ARE COMPATIBLE WITH THE MINISTERIAL GUIDANCE, FULLY REFLECT THE THRUST OF AD70 AND THE BASIC ISSUES, PROPERLY REFLECT THE MINIMUM REQUIREMENTS FOR MAJOR NATO COMMANDERS TO EXECUTE THEIR MISSION, INCLUDE PROPOSALS DESIGNED TO OFFSET THE CRITICAL DEFICIENCIES PREVIOUSLY IDENTIFIED IN COUNTRY FORCE PLANS, AND OFFER A CONSIDERABLE CHALLENGE TO NATIONS.

30. IN ACCORDANCE WITH THE PROCEDURE(2), THE DEFENCE REVIEW COMMITTEE HAS EXAMINED THE MILITARY COMMITTEE'S FORCE PROPOSALS ON BEHALF OF THE DEFENCE PLANNING COMMITTEE. ANALYSES OF THE NON-MILITARY IMPLICATIONS OF THE FORCE PROPOSALS AND THEIR
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POLITICAL, FINANCIAL AND ECONOMIC FEASIBILITY SUMMARISED ABOVE LEAD THE DEFENCE REVIEW COMMITTEE TO RECOMMEND CERTAIN AMENDMENTS AND MODIFICATIONS BEARING IN MIND THAT IN DEVELOPING FORCE GOALS, IT SHOULD NOT BE THE AIM TO TAILOR MILITARY PROPOSALS TO A SIMPLE PROJECTION OF KNOWN COUNTRY PLANS; THE GOALS SHOULD STRIKE A BALANCE BETWEEN MILITARY REQUIREMENTS, AVAILABLE RESOURCES AND

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POLITICAL CONSIDERATIONS. THEY SHOULD REPRESENT A DESIRABLE
OBJECTIVE OF CO-ORDINATED NATO FORCE PLANNING AND PRESENT
GREECE WITH A REASONABLE CHALLENGE IN THE ALLOCATION AND EFFECTIVE
APPLICATION OF RESOURCES(1).

(1) SEE PARAGRAPHS 22, 23 ABOVE.

(2) ANNEX 1 TO DPC/D(71)10, 19 MAY , 1971

31. AS A RESULT, THE DEFENCE REVIEW COMMITEE RECOMMENDS
THE ADOPTION OF THE MILITARY COMMITTEE'S FORCE PROPOSALS AS
NATO FORCE GOALS SUBJECT TO THE FOLLOWING CHANGES:

(TO BE COMPLETED AFTER DRC REVIEW.)

V. LOW COST/NO COST ITEMS(2)

VI. OPPORTUNITIES FOR STANDARISATION AND CO-
OPERATION IN DEVELOPMENT AND PROCUREMENT
OF WEAPON SYSTEMS(2)

VII. RECOMMENDATIONS(2)

(1) TO BE COMPLETED AFTER DRC REVIEW

(2) ANNEX TO DPC/D(71)10, PARAGRAPH 22

END TEXT RUMSFELD

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Message Attributes

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Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
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